

Tobin & Co.

Almira Township

Benzie County, Michigan

Audit Report

For the Year Ended March 31, 2006

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name <u>Almira Township</u>	County <u>Benzie</u>
Audit Date <u>3/31/06</u>	Opinion Date <u>9/22/06</u>	Date Accountant Report Submitted to State: <u>9/30/06</u>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- | | |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

TUBIN & CO., P.C.

400 E. EIGHTH ST.

Certified Public Accountant (Firm Name) TRAVERSE CITY, MI 49686-2668			
Street Address <u>231-947-0151</u>	City	State	ZIP
Accountant Signature <i>David T. Park</i>		Date <u>9-29-06</u>	

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INTRODUCTORY SECTION

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Comments and Recommendations

We have audited the basic financial statements of Almira Township, Benzie County, for the year ended March 31, 2006 and have issued our report thereon. As part of our examination, we made a study and evaluation of the Township's system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. The purpose of our study and evaluation was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the Township's financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole.

Our study and evaluation made for the limited purpose described above would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal control of Almira Township taken as a whole. As a result of our examination, we respectfully submit the following comments and recommendations.

General

The records were maintained in good condition by your Clerk and Treasurer. Recorded revenues were deposited timely and intact, journals and ledgers were properly posted, Board minutes were in good order, and supporting documents and follow-up procedures appeared to be in good order.

We did note some shortcomings in the maintenance of these records and in a separate management letter, we have detailed these shortcomings and suggested measures which, if adopted, will improve the accounting records and internal controls.

Budgets and Procedures

The Township prepared and formally adopted budgets for its General, Special Revenue and Debt Service Funds.

General Fund

The General Fund is presented on Schedule 1. The fund balance at March 31, 2006 was \$299,137, an increase of \$63,313 from the prior year.

Fire and EMS Operating Fund

This fund, presented in Schedule 2, is used to account for a voted tax levy for fire protection and ambulance services. Revenues consisted primarily of property taxes, donation of a new ambulance purchased through the county wide millage, and fire and ambulance run fees. The fund balance at March 31, 2006 was \$432,119, an increase of \$65,183 from the prior year.

Debt Service Fund

The debt service fund, presented in Schedule 3, is used to account for a voted tax levy for the retirement of an installment loan used to construct a new fire and ambulance facility. The fund balance at March 31, 2006 was \$103,841, a decrease of \$15,333 from the prior year.

Property Tax Administration Fees

A 1% property tax administration fee is authorized by statute to offset such property tax administration costs as assessing, collecting, and the review and appeal process. Almira Township levied this fee on its 2005 property taxes. For the audit year, costs exceed these fees plus \$6,572 paid by the State for collection of the State Education Tax by \$40,454.

Property Tax Collections

Property taxes were distributed to taxing units in a timely fashion as required by law. Receipts were filed in order of payment, and supported by computer printouts. Deposits were timely and intact.

Schedule 8 reflects the amount levied, collected, and returned delinquent for the 2005 property tax levy.

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Comments and Recommendations

Insurance and Surety Bond Coverage

Records reflect that the Township is insured through Municipal Underwriters of Michigan and has such coverage as fire and extended coverage, general liability, equipment, errors and omissions, crime and workmen's compensation. Coverage was reviewed during the audit year. The Clerk, Treasurer, Deputy Clerk, Deputy Treasurer, Supervisor, Constable and Assessor have surety bond coverage.

Payroll Procedures

The Clerk observes federal and State guidelines in the withholding of income taxes and social security. Withholdings were paid over in a timely manner, required reports were filed, and forms W-2 were issued to employees at calendar year end. Payroll records were maintained in good order.

Other Data

After completion of our audit, we will submit the necessary copies of our report to the State Department of Treasury.

We appreciate the courtesy extended our field auditor in the conduct of this audit.

Your confidence is respected. Please contact us if questions arise or assistance is needed.

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FINANCIAL SECTION

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REPORT OF INDEPENDENT AUDITOR

To the Township Board
Almira Township
Benzie County
Lake Ann, Michigan 49650

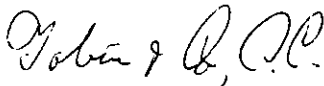
We have audited the accompanying financial statements of the governmental activities and each major fund, and the aggregate of remaining fund information of Almira Township as of and for the year ended March 31, 2006, which collectively comprise the Township's basic financial statements, as listed in the Table of Contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate of remaining fund information of Almira Township at March 31, 2006, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by the GASB. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Table of Contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements of Almira Township. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.



TOBIN & CO., P.C.
Certified Public Accountants
September 22, 2006

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ALMIRA TOWNSHIP MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Almira Township's annual report presents our discussion and analysis of the Township's financial performance during the fiscal year ended March 31, 2006. Please read it in conjunction with the financial statements, which immediately follow this section.

Financial Highlights

The assets of Almira Township exceeded its liabilities at the close of the most recent fiscal year by \$2,688,312. Of this amount, \$891,956 may be used to meet the Township's ongoing obligations to citizens and creditors.

As of the close of the current fiscal year, Township's governmental funds reported combined ending fund balances of \$903,499, an increase of \$117,433 in comparison with the prior year. Of the total amount, \$891,956 is available for spending at the Township's discretion.

At the end of the current fiscal year, unreserved fund balance for the general fund was \$249,137, or 93% of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Almira Township's basic financial statements. The Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information, in addition to the basic financial statements themselves.

1. Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The **statement of net assets** presents information on all of the Township's assets and liabilities, with the difference between the two reported as **net assets**. Over time, increases or decreases in net assets may serve as a useful indicator of whether the Township's financial position is improving or deteriorating.

The **statement of activities** presents information showing how the Township's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, earned but unused credits, and used but not paid expenses).

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (**governmental activities**) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (**business-type activities**). The governmental activities of the Township include: General Government, Public Safety, Road Projects, and Township Improvements. Almira Township does not have any business-type activities (examples would include water and sewer, golf courses, cemeteries, etc.).

2. Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Almira Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Almira Township are categorized as governmental funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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Almira Township maintains four individual governmental funds. Information is presented separately for the major funds in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Fire and EMS Operating Fund, and Debt Service Funds.

The Township adopts an annual appropriated budget for its general fund, special revenue funds, and debt service fund. A budgetary comparison statement has been provided for the general fund and other funds to demonstrate compliance with this budget.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial resources because the resources of those funds are not available to support the Township's own programs.

The basic Fiduciary fund financial statements can be found on page 15 of this report.

3. Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

General Fund Analysis and Highlights

The general fund remains consistent with previous years. Revenue sharing payments to the Township are on the upswing though not at the levels we had seen a few years ago. Building in the Township has slowed due to economic fluctuations but Almira Township remains in the top two townships in Benzie County for growth, affecting revenue at several levels.

Analysis of Balances and Transactions of the Other Township's Funds.

The other Township funds continue to remain stable. The Fire & EMS Fund continues to show growth in revenue and expenses have had minimal increases overall. This has allowed the Township to maintain a healthy fund balance. The Parks and Recreation Maintenance millage (Fund 208) was renewed by voters this year and continues to be adequate to maintain current operational levels. Ransom Lake Stewardship Fund (Fund 213) will have major expenditures this year, as funds are used for matching funds with a State Trust Fund Grant. Additional revenue will be available from another grant through Rotary Charities of Traverse City. Fund 306 Debt Service/New Fire & EMS Building, continues to have revenue outpacing the amount for annual debt payments. The Township Board has approved additional principal payments on the loan for the last two years in an effort to pay down the debt and end the millage earlier than first projected.

Condensed Financial Information

Net Assets	
	Governmental and Total Activities
Current Assets	\$ 910,996
Capital Assets	<u>2,489,657</u>
Total Assets	3,400,653
Current Liabilities	7,497
Long-term Debt	<u>704,844</u>
Total Liabilities	<u>712,341</u>
Net Assets:	
Investment in Capital and Intangible Assets, net of Related Debt	1,784,813
Restricted	11,543
Unrestricted	<u>891,956</u>
Total Net Assets	<u>\$ 2,688,312</u>

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Activities	Governmental and Total Activities
Program Revenues:	
Charges for Services	\$ 93,153
Operating Grants	173,907
General Revenues:	
Property Taxes	455,681
State Shared Revenues	171,210
Other	<u>36,177</u>
Total Revenues	<u>930,128</u>
Expenses:	
Legislative	23,044
General Government	197,404
Public Safety	245,878
Public Works	7,761
Recreation and Cultural	26,915
Debt Service	<u>28,297</u>
Total Expenses	<u>529,299</u>
Change in Net Assets	<u>\$ 400,829</u>

Capital Asset and Debt Administration

Capital Assets

The Township's net investment in capital and intangible assets for its governmental activities as of March 31, 2006, amounts to \$208,764. This investment in capital assets includes: various parcels of land, township hall, cemetery facilities and equipment, and office equipment and computers. The investment in intangible assets includes road construction. All of our government funds report capital outlays as expenditures. However, the cost of the assets is allocated over their useful lives.

Cash Assets

At the end of the current fiscal year, the Township had \$875,601 in cash and other spendable assets. The Township is limited by State law in how it can invest these funds and we have made no changes in our investment strategy in several years.

Long-term Debt

At the end of the current fiscal year, the Township had \$704,844 of installment debt outstanding. No new debt was incurred during the fiscal year.

Pension Plan

The Township makes pension contributions equal to approximately 7 1/2% of each employee's base salary to John Hancock Life Insurance Co. on behalf of each participating employee. This is an expensed item in the budget and totaled \$12,225 for the fiscal year.

Currently Known Factors Affecting Future Operations

Growth of the Township is the biggest factor affecting future operations. More people and more homes create greater need for essential services including zoning, elections, tax collections, fire and emergency medical services.

Requests for Information

This financial report is designed to provide a general overview of Almira Township's finances for all those with an interest in the Township's finances and to demonstrate the Township's accountability for the revenues it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Steven Puchovan, Almira Township Supervisor at 7276 Ole White Drive, Lake Ann, MI 49650.

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Almira Township Statement of Net Assets March 31, 2006

Governmental Activities And Total

Assets

Cash and Cash Equivalents	\$ 875,601
Accounts Receivable, Net	6,113
Taxes Receivable - Current	29,218
Prepaid Expenses	64
Capital Assets:	
Land	999,975
Other Capital Assets, Net of Depreciation	<u>1,489,682</u>
Total Assets	<u>3,400,653</u>

Liabilities

Accounts Payable and Accrued Expenses	7,497
Long-term Liabilities:	
Due Within One Year	105,864
Due in More Than One Year	<u>598,980</u>
Total Liabilities	<u>712,341</u>

Net Assets

Invested in Capital and Intangible Assets, Net of Related Debt	1,784,813
Restricted	11,543
Unrestricted	<u>891,956</u>
Total Net Assets	<u>\$ 2,688,312</u>

See Accompanying Notes to Basic Financial Statements

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Almira Township Statement of Activities March 31, 2006

Functions/Programs	<u>Expenses</u>	Program Revenues		Net (Expenses) Revenue and Changes in
		Fees and Charges For	Operating Grants and	<u>Net Assets</u>
		<u>Services</u>	<u>Contributions</u>	Governmental Activities and Total
Governmental Activities:				
Legislative	\$ 23,044	\$ -	\$ -	\$ (23,044)
General Government	197,404	9,734	45,629	(142,041)
Public Safety	245,878	83,419	120,968	(41,491)
Public Works	7,761	-	7,310	(451)
Recreation and Cultural	26,915	-	-	(26,915)
Debt Service Interest	<u>28,297</u>	<u>-</u>	<u>-</u>	<u>(28,297)</u>
Total Governmental Activities	<u>\$ 529,299</u>	<u>\$ 93,153</u>	<u>\$ 173,907</u>	<u>(262,239)</u>
General Revenues:				
Taxes				455,681
State Shares Revenues				171,210
Investment Earnings				14,362
Miscellaneous				<u>21,815</u>
Total General Revenues				663,068
Change in Net Assets				400,829
Net Assets – Beginning				<u>2,287,483</u>
Net Assets – Ending				<u>\$ 2,688,312</u>

See Accompanying Notes to Basic Financial Statements

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Almira Township Balance Sheet Governmental Funds March 31, 2006

	General Fund	Fire and EMS Operating Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Cash and Cash Equivalents	\$ 294,398	\$ 419,843	\$ 94,706	\$ 66,654	\$ 875,601
Accounts Receivable, Net	-	6,113	-	-	6,113
Taxes Receivable - Current	7,559	10,681	9,135	1,843	29,218
Prepaid Expenses	-	64	-	-	64
Total Assets	<u>\$ 301,957</u>	<u>\$ 436,701</u>	<u>\$ 103,841</u>	<u>\$ 68,497</u>	<u>\$ 910,996</u>
<u>Liabilities and Fund Equity</u>					
Liabilities:					
Accounts Payable	<u>\$ 2,820</u>	<u>\$ 4,582</u>	<u>\$ -</u>	<u>\$ 95</u>	<u>\$ 7,497</u>
Total Liabilities	<u>2,820</u>	<u>4,582</u>	<u>-</u>	<u>95</u>	<u>7,497</u>
Fund Equity:					
Fund Balance – Reserved	11,543	-	-	-	11,543
Fund Balance – Unreserved	<u>287,594</u>	<u>432,119</u>	<u>103,841</u>	<u>68,402</u>	<u>891,956</u>
Total Fund Balances	<u>299,137</u>	<u>432,119</u>	<u>103,841</u>	<u>68,402</u>	<u>903,499</u>
Total Liabilities and Fund Equity	<u>\$ 301,957</u>	<u>\$ 436,701</u>	<u>\$ 103,841</u>	<u>\$ 68,497</u>	
Amounts reported for governmental activities on the statement of net assets are different because:					
Capital and intangible assets used in governmental activities are not financial resources and therefore are not reported in the funds.					2,489,657
Long-term debt of governmental activities do not use current financial resources and therefore are not reported in the funds.					<u>(704,844)</u>
Net assets of governmental activities.					<u>\$ 2,688,312</u>

See Accompanying Notes to Basic Financial Statements

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Almira Township Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Year Ended March 31, 2006

	General Fund	Fire and EMS Operating Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
<u>Revenues</u>					
Taxes	\$ 128,606	\$ 160,916	\$ 138,323	\$ 27,836	\$ 455,681
Licenses and Permits	7,328	-	-	-	7,328
Federal Grants	4,800	-	-	-	4,800
State Grants	178,520	-	-	-	178,520
Contributions from Local Units	-	120,968	-	-	120,968
Charges for Services	8,194	76,091	-	-	84,285
Interest and Rents	5,922	9,178	399	403	15,902
Other	48,783	12,504	-	1,357	62,644
Total	<u>382,153</u>	<u>379,657</u>	<u>138,722</u>	<u>29,596</u>	<u>930,128</u>
<u>Expenditures</u>					
Legislative	23,044	-	-	-	23,044
General Government	161,723	-	-	-	161,723
Public Safety	20,713	146,313	4,070	-	171,096
Public Works	7,761	-	-	-	7,761
Recreation and Cultural	6,118	-	-	18,331	24,449
Other	25,235	-	-	-	25,235
Capital Outlay	77,111	165,296	-	6,995	249,402
Debt Service	-	-	149,985	-	149,985
Total	<u>321,705</u>	<u>311,609</u>	<u>154,055</u>	<u>25,326</u>	<u>812,695</u>
<u>Excess Revenues (Expenditures)</u>	<u>60,448</u>	<u>68,048</u>	<u>(15,333)</u>	<u>4,270</u>	<u>117,433</u>
<u>Other Financing Sources (Uses)</u>					
Operating Transfers In	2,865	-	-	-	2,865
Operating Transfers (Out)	-	(2,865)	-	-	(2,865)
Total	<u>2,865</u>	<u>(2,865)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	<u>63,313</u>	<u>65,183</u>	<u>(15,333)</u>	<u>4,270</u>	<u>117,433</u>
Fund Balance – Beginning of Year	<u>235,824</u>	<u>366,936</u>	<u>119,174</u>	<u>64,132</u>	
Fund Balance – End of Year	<u>\$ 299,137</u>	<u>\$ 432,119</u>	<u>\$ 103,841</u>	<u>\$ 68,402</u>	

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 161,708

Repayment of note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount of repayment during the period. 121,688

Changes in net assets of governmental activities. \$ 400,829

See Accompanying Notes to Basic Financial Statements

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Almira Township Statement of Fiduciary Net Assets March 31, 2006

Assets	<u>Agency Funds</u>
Cash and Investments	<u>\$ 8,070</u>
Total Assets	<u>8,070</u>
Liabilities	
Deposits	7,820
Undistributed Taxes and Interest	<u>250</u>
Total Liabilities	<u>8,070</u>
Net Assets	<u>\$ -</u>

See Accompanying Notes to Basic Financial Statements

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Almira Township
Notes to Financial Statements
March 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Almira Township is a general law township located in Benzie County. Population as of the 2000 census was 2,811, and the current state equalized valuation for taxable property is \$164,826,150. Taxable valuation is \$113,365,198.

The Township's basic financial statements include the accounts of all Township operations. The criteria for including organizations within the Township's reporting entity, as set forth in GASB No. 14, "*The Financial Reporting Entity*" includes oversight responsibility, fiscal dependency and whether the financial statements would be misleading if data were not included.

Based on the above criteria, there are no other organizations included in these financial statements.

B. Basis of Presentation

The government-wide financial statements (the statement of net assets and the statement of activities) report information on all of the activities of the Township. The effect of interfund activity, within the governmental activities column, has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements:

The Township segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The Township has presented the following governmental funds:

General Fund – This fund is used to account for all financial transactions not accounted for in another fund, including the general operating expenditures of the Township. Revenues are derived primarily from property taxes, state distributions or grants, and other intergovernmental revenues.

Special Revenue Funds – These funds are used to account for specific governmental revenues (other than expendable trusts and major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Debt Service Funds – These funds are used to account for property taxes and other resources to be used for the payment of interest and principal on long-term debt.

Fiduciary Funds

These funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

Tobin & Co.

Almira Township
Notes to Financial Statements
March 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Governmental fund and agency fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Township considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The revenue susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues. All other governmental fund revenues are recognized when received.

D. Budgets

The General Fund and Special Revenue Funds are under formal budgetary control. Budgets shown in the required supplementary schedules for these funds were prepared on a basis not significantly different from the modified accrual basis used to reflect actual results and consist only of those amounts contained in the formal budget approved and amended by the Township.

In the body of the financial statements and the required supplementary schedules, the Township's actual and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budgets for these funds were adopted to the activity or cost center level.

For budgetary purposes appropriations lapse at fiscal year end.

E. Capital Assets

Capital assets, which includes property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest is capitalized during the construction period on property, plant and equipment.

Tobin & Co.

Almira Township Notes to Financial Statements March 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Capital Assets (Continued)

Assets capitalized have an original cost of \$2,500 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Land Improvements	20 years
Buildings and Improvements	25 - 40 years
Furniture and Fixtures	10 years
Equipment	5 years
Vehicles	10 years

F. Property Tax Procedures and Collections

Properties are assessed as of December 31 and the related property taxes become a lien the following July 1 and/or December 1. Real property taxes are collected by the Township Treasurer through February 28 of each year. As of March 1, uncollected real property taxes are returned delinquent to, and collected by, the County Treasurer. Personal property taxes remain the responsibility of the Township Treasurer to collect. It is the policy of the Township to record the real property taxes in the year of levy.

During the collection period prior to March 1, the Township Treasurer makes distribution of the property tax collections to the various taxing units (County, School District, etc.) as required by statute.

For the fiscal year the Township levied property taxes as follows:

	SEV	Taxable Value	Millage Rate
General Operating	\$164,826,150	\$113,365,198	.7919
Fire and EMS Operating	\$164,826,150	\$113,365,198	1.4214
Parks and Recreation	\$164,826,150	\$113,365,198	.2460
Fire and EMS Debt Service	\$164,826,150	\$113,365,198	1.2222

G. Investments

Township investments at March 31, 2006 consisted of bank money market accounts composed of investment vehicles which are legal for direct investments by local units of government in Michigan. These are reported as cash in hand on the Township balance sheet.

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

- A. We noted no violations of legal provisions and/or contractual provisions of various agreements related to financial matters.
- B. All funds had positive fund balances at March 31, 2006.
- C. Public Act 621 of 1978, Section 18, provides that a local unit shall not incur expenditures in excess of the amount appropriated. During the year ended March 31, 2006, the Township incurred no expenditures in excess of amounts appropriated without formal budget amendment by the Board.

Tobin & Co.

Almira Township
Notes to Financial Statements
March 31, 2006

NOTE 3 - DEPOSITS WITH FINANCIAL INSTITUTIONS

A. Legal Provisions for Deposits and Investments

Act 20, Public Acts of 1943, as amended by Act 217, Public Acts of 1982, and Act 196, Public Acts of 1997, states that the Township, by resolution, may authorize the Treasurer to invest surplus funds as follows:

- (1) In bonds and other direct obligations of the United States or an agency or instrumentality of the United States.
- (2) In certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation or a credit union which is insured by the National Credit Union Administration, but only if the bank, savings and loan association, or credit union complies with subsection (2).
- (3) In commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and which matures not more than 270 days after date of purchase.
- (4) Repurchase agreements consisting of instruments defined in (1) above.
- (5) In bankers' acceptances of United States Banks.
- (6) Obligations of the State of Michigan or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.
- (7) In mutual funds registered under the investment company Act of 1940 with the authority to purchase only investment vehicles that are legal for direct investment by local units of government in Michigan.

B. Types of Deposits and Investments

The Township had \$895,168 deposited with a local financial institution at March 31, 2006 with a carrying value of \$883,671. Interpreting the FDIC insurance coverage of \$100,000 of demand deposits and \$100,000 of time deposits per financial institution, the Township had \$686,583 of uninsured deposits at March 31, 2006.

NOTE 4 - RECEIVABLES

\$6,113 of accounts receivable of governmental activities represent ambulance run fees outstanding of \$11,063 less an allowance for adjustments and bad debt of \$4,950.

\$29,218 of accounts receivable of governmental activities represent delinquent property taxes due from Benzie County at March 31, 2006.

Tobin & Co.

Almira Township Notes to Financial Statements March 31, 2006

NOTE 5 - CAPITAL/INTANGIBLE ASSETS

	<u>3/31/05</u>	<u>Additions</u>	<u>Deletions</u>	<u>3/31/06</u>
Governmental Activities:				
Land and Improvements	\$ 1,028,740	\$ -	\$ -	\$ 1,028,740
Buildings and Improvements	1,402,733	-	-	1,402,733
Machinery and Equipment	79,281	6,446	-	85,727
Furniture and Fixtures	15,467	-	-	15,467
Vehicles	<u>633,500</u>	<u>114,968</u>	<u>-</u>	<u>748,468</u>
Total	3,159,721	121,414	-	3,281,135
Less Accumulated Depreciation	<u>(703,784)</u>	<u>(87,694)</u>	<u>-</u>	<u>(791,478)</u>
Governmental Activities Capital Assets, Net	<u>\$ 2,455,937</u>	<u>\$ 33,720</u>	<u>\$ -</u>	<u>\$ 2,489,657</u>

NOTE 6 - LONG-TERM DEBT

On July 1, 2003, the Township entered into a \$995,000 installment loan for the construction of new emergency facilities, with the loan to be paid back over 10 years with the collection of a voted millage affecting all property owners. Principal and interest are payable monthly at \$10,832 beginning August 1, 2003 at an interest rate of 3.67%.

Debt service requirements to maturity:

March 31,	<u>Principal</u>	<u>Interest</u>
2007	\$ 105,864	\$ 24,121
2008	109,837	20,148
2009	113,937	16,048
2010	118,189	11,796
2011	122,601	7,384
2012	127,177	2,808
2013	<u>7,239</u>	<u>19</u>
	<u>\$ 704,844</u>	<u>\$ 82,324</u>

The Township paid \$121,688 of principal during the audit year.

NOTE 9 - INVENTORIES

Almira Township does not maintain a substantial inventory of supplies or materials. Purchases are normally made as needed, and the items are recorded as expenses when purchased.

NOTE 10 - PENSION PLAN

The Township participates in a defined contribution plan through Manufacturers Life Insurance. By Board resolution the Township contributes 7 1/2% of the salaries of all elected officials, the zoning administrator, assessor, administrative assistants, maintenance, and election workers and fire department officials. The Township will pay 100% of the annual contribution.

The plan covers all participants with immediate 100% vesting.

The plan is administered by the Township Clerk.

For 2005-2006, Township contributions to the plan were \$12,225. Covered payroll for the year was \$162,994 with a total payroll for all employees of \$206,721.

The Township provides social security coverage for its officials and employees not covered by the pension plan.

Tobin & Co.

Almira Township
Notes to Financial Statements
March 31, 2006

NOTE 11 - PROPERTY TAX ADMINISTRATION FEES

As permitted by statute, the Township levied a 1% administration fee on all 2005 property taxes. This fee may be used only to offset such property tax administration expenses as assessing, collecting, and the review and appeal process. The Township had excess costs of \$40,454 for the audit year and is in compliance with statutory requirements.

NOTE 12- COMPENSATED ABSENCES

The Township provides no payment to employees for unused sick leave, accumulated leave, etc..

NOTE 13 - CONTINGENT LIABILITIES

Township officials are aware of no contingent liabilities as of March 31, 2006.

NOTE 14- RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the audit year the Township addressed these risks through the purchase of commercial insurance through Municipal Underwriters of Michigan. There was no significant reduction of insurance coverage from prior years nor have the amounts of any settlements exceeded insurance coverage in any of the past three fiscal years.

SUPPLEMENTAL DATA SECTION

Tobin & Co.

Almira Township
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
General Fund
For the Year Ended March 31, 2006

Schedule 1
Page 1

<u>Revenues</u>	<u>Budgetary Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Taxes:				
Property Taxes	\$ 84,231	\$ 84,231	\$ 89,632	\$ 5,401
Penalties and Interest on Taxes	-	-	2,622	2,622
Property Tax Administration Fees	25,000	25,000	30,891	5,891
Swamp Tax	5,400	5,400	5,444	44
Commercial Forest Reserve	-	-	17	17
Licenses and Permits:				
Zoning	7,500	7,500	7,328	(172)
Federal Grants:				
Election	-	4,800	4,800	-
State Grants:				
State Shared Revenues	166,000	166,000	171,210	5,210
Metro Act	6,494	6,494	7,310	816
Charges for Services:				
Summer Tax Collection	6,572	6,572	6,572	-
Fees	2,000	2,000	850	(1,150)
Sales	100	100	772	672
Interest and Rents:				
Interest	1,000	1,000	4,382	3,382
Rents	1,077	1,077	1,540	463
Other:				
Donations	40,329	40,329	40,829	500
Refunds and Reimbursements	7,677	7,677	7,727	50
Miscellaneous	-	-	227	227
Total Revenues	<u>353,380</u>	<u>358,180</u>	<u>382,153</u>	<u>23,973</u>
<u>Expenditures</u>				
Legislative:				
Township Board:				
Salaries and Wages	-	-	5,648	-
Contractual Services	-	-	515	-
Legal Services	-	-	7,324	-
Membership and Dues	-	-	2,039	-
Transportation and Travel	-	-	401	-
Community Promotion	-	-	846	-
Cleanup Day	-	-	3,011	-
Printing and Publishing	-	-	3,238	-
Other	-	-	22	-
Total	<u>30,354</u>	<u>30,354</u>	<u>23,044</u>	<u>7,310</u>
Total Legislative	<u>30,354</u>	<u>30,354</u>	<u>23,044</u>	<u>7,310</u>
General Government:				
Township Supervisor:				
Salaries and Wages	-	-	21,600	-
Transportation and Travel	-	-	317	-
Education and Training	-	-	314	-
Total	<u>23,325</u>	<u>23,325</u>	<u>22,231</u>	<u>1,094</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

Tobin & Co.

Almira Township
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
General Fund
For the Year Ended March 31, 2006

Schedule 1
Page 2

	Budgetary Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Expenditures (Continued)				
General Government (Continued):				
Elections:				
Salaries and Wages	-	-	2,488	-
Supplies and Postage	-	-	1,051	-
Transportation and Travel	-	-	36	-
Printing and Publishing	-	-	1,211	-
Maintenance and Repairs	-	-	242	-
Total	<u>9,000</u>	<u>5,900</u>	<u>5,028</u>	<u>872</u>
Assessor:				
Salaries and Wages	-	-	33,925	-
Contractual Services	-	-	740	-
Membership and Dues	-	-	150	-
Transportation and Travel	-	-	563	-
Printing and Publishing	-	-	6,953	-
Education and Training	-	-	80	-
Total	<u>42,275</u>	<u>42,275</u>	<u>42,411</u>	<u>(136)</u>
Clerk:				
Salaries and Wages	-	-	22,575	-
Contractual Services	-	-	2,193	-
Membership and Dues	-	-	10	-
Transportation and Travel	-	-	62	-
Total	<u>25,025</u>	<u>25,025</u>	<u>24,840</u>	<u>185</u>
Board of Review:				
Salaries and Wages	-	-	622	-
Total	<u>1,900</u>	<u>1,900</u>	<u>622</u>	<u>1,278</u>
Treasurer:				
Salaries and Wages	-	-	22,575	-
Supplies and Postage	-	-	2,644	-
Contractual Services	-	-	835	-
Transportation and Travel	-	-	87	-
Total	<u>26,975</u>	<u>26,975</u>	<u>26,141</u>	<u>834</u>
Township Office:				
Salaries and Wages	-	-	3,032	-
Supplies	-	-	4,652	-
Contractual Services	-	-	814	-
Communication	-	-	619	-
Public Utilities	-	-	7,742	-
Maintenance and Repairs	-	-	1,479	-
Total	<u>20,955</u>	<u>20,955</u>	<u>18,338</u>	<u>2,617</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

Tobin & Co.

Almira Township
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
General Fund
For the Year Ended March 31, 2006

Schedule 1
Page 3

	<u>Budgetary Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures (Continued)				
General Government (Continued):				
Township Hall:				
Supplies	-	-	163	-
Public Utilities	-	-	3,402	-
Maintenance and Repairs	-	-	2,511	-
Total	<u>5,400</u>	<u>6,300</u>	<u>6,076</u>	<u>224</u>
Township Maintenance:				
Salaries and Wages	-	-	9,212	-
Supplies	-	-	2,412	-
Transportation and Travel	-	-	17	-
Public Utilities	-	-	376	-
Maintenance and Repairs	-	-	694	-
Total	<u>14,009</u>	<u>16,209</u>	<u>12,711</u>	<u>3,498</u>
Cemetery:				
Contractual Services	-	-	500	-
Maintenance and Repairs	-	-	2,825	-
Total	<u>3,700</u>	<u>3,700</u>	<u>3,325</u>	<u>375</u>
Total General Government	<u>172,564</u>	<u>172,564</u>	<u>161,723</u>	<u>10,841</u>
Public Safety:				
Planning Commission:				
Salaries and Wages	-	-	2,244	-
Contractual Services	-	-	1,457	-
Total	<u>10,330</u>	<u>10,330</u>	<u>3,701</u>	<u>6,629</u>
Zoning Board of Appeals:				
Salaries and Wages	-	-	589	-
Total	<u>1,600</u>	<u>1,600</u>	<u>589</u>	<u>1,011</u>
Zoning Administrator:				
Salaries and Wages	-	-	15,847	-
Contractual Services	-	-	78	-
Transportation and Travel	-	-	418	-
Education and Training	-	-	80	-
Total	<u>17,180</u>	<u>17,180</u>	<u>16,423</u>	<u>757</u>
Total Public Safety	<u>29,110</u>	<u>29,110</u>	<u>20,713</u>	<u>8,397</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

Tobin & Co.

Almira Township Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual General Fund For the Year Ended March 31, 2006

Schedule 1
Page 4

	<u>Budgetary Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Expenditures (Continued)</u>	<u>Original</u>	<u>Final</u>		
Public Works:				
Roads:				
Maintenance and Repairs	-	-	7,761	489
Total Public Works	8,250	8,250	7,761	489
Recreation and Culture:				
Lakes and Parks:				
Maintenance and Repairs	-	-	-	-
Total	1,000	1,000	-	1,000
Library:				
Salaries and Wages	-	-	4,298	-
Supplies	-	-	1,190	-
Contractual Services	-	-	50	-
Public Utilities	-	-	580	-
Total	7,344	7,344	6,118	1,226
Total Recreation and Culture	8,344	8,344	6,118	2,226
Other:				
Employee Benefits and Insurance	31,806	28,941	25,235	3,706
Total Other	31,806	28,941	25,235	3,706
Capital Outlay	68,169	89,969	77,111	12,858
Contingencies	4,783	4,783	-	4,783
Total Expenditures	353,380	372,315	321,705	50,610
Excess Revenues (Expenditures)	-	(14,135)	60,448	74,583
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In	-	-	2,865	2,865
Operating Transfers (Out)	-	-	-	-
Total	-	-	2,865	2,865
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	<u>\$ -</u>	<u>\$(1) (14,135)</u>	63,313	<u>\$ 77,448</u>
Fund Balance – Beginning of Year			235,824	
Fund Balance – End of Year			<u>\$ 299,137</u>	
(1) Budgeted from Fund Balance				

The Notes to the Basic Financial Statements are an integral part of this statement.

Tobin & Co.

Almira Township Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual Fire and EMS Operating Fund For the Year Ended March 31, 2006

Schedule 2

	<u>Budgetary Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Taxes:				
Property Taxes	\$ 151,206	\$ 151,206	\$ 160,916	\$ 9,710
Contributions from Local Units:				
Benzie County	6,000	120,968	120,968	-
Charges for Services:				
Run Fees	58,997	58,997	75,899	16,902
Sales	-	-	192	192
Interest and Rents:				
Interest	1,500	1,500	9,178	7,678
Other:				
Donations	-	-	478	478
Refunds and Reimbursements	-	-	11,221	11,221
Miscellaneous	-	-	805	805
Total	<u>217,703</u>	<u>332,671</u>	<u>379,657</u>	<u>46,986</u>
<u>Expenditures</u>				
Salaries and Wages	-	-	51,380	-
Social Security and Medicare	-	-	2,250	-
Pension	-	-	1,646	-
Supplies	-	-	12,244	-
Contractual Services	-	-	9,323	-
Membership and Dues	-	-	430	-
Communications	-	-	467	-
Transportation and Travel	-	-	626	-
Community Promotion	-	-	579	-
Insurance and Bonds	-	-	20,587	-
Public Utilities	-	-	20,516	-
Maintenance and Repairs	-	-	13,153	-
Licenses and Fees	-	-	4,654	-
Other	-	-	1,933	-
Education and Training	-	-	6,525	-
Capital Outlay	-	-	165,296	-
Total	<u>217,643</u>	<u>335,476</u>	<u>311,609</u>	<u>23,867</u>
Excess Revenues (Expenditures)	<u>60</u>	<u>(2,805)</u>	<u>68,048</u>	<u>70,853</u>
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	-	-	(2,865)	(2,865)
Total	-	-	(2,865)	(2,865)
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	<u>\$ 60</u>	<u>\$(1) (2,805)</u>	<u>65,183</u>	<u>\$ 67,988</u>
Fund Balance – Beginning of Year			<u>366,936</u>	
Fund Balance – End of Year			<u>\$ 432,119</u>	

(1) Budgeted from Fund Balance

The Notes to the Basic Financial Statements are an integral part of this statement.

Tobin & Co.

Almira Township
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Debt Service Fund
For the Year Ended March 31, 2006

Schedule 3

	<u>Budgetary Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Taxes:				
Property Taxes	\$ 130,013	\$ 130,013	\$ 138,323	\$ 8,310
Interest and Rents:				
Interest	-	-	399	399
Total Revenues	<u>130,013</u>	<u>130,013</u>	<u>138,722</u>	<u>8,709</u>
<u>Expenditures</u>				
Maintenance and Repairs	-	-	1,470	-
Licenses and Fees	-	-	2,600	-
Debt Service	-	-	<u>149,985</u>	-
Total Expenditures	<u>132,585</u>	<u>132,585</u>	<u>154,055</u>	<u>(21,470)</u>
Excess Revenues (Expenditures)	<u>(2,572)</u>	<u>(2,572)</u>	<u>(15,333)</u>	<u>(12,761)</u>
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In	2,572	2,572	-	(2,572)
Operating Transfers (Out)	-	-	-	-
Total	<u>2,572</u>	<u>2,572</u>	<u>-</u>	<u>(2,572)</u>
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(15,333)</u>	<u>\$ (15,333)</u>
Fund Balance – Beginning of Year			<u>119,174</u>	
Fund Balance – End of Year			<u>\$ 103,841</u>	

The Notes to the Basic Financial statements are an integral part of this statement.

Tobin & Co.

Almira Township Combining Balance Sheet Non-Major Governmental Funds March 31, 2006

Schedule 4

	<u>Special Revenue</u>		
	<u>Parks and Recreation Fund</u>	<u>Ransom Lake Stewardship Fund</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 36,960	\$ 29,694	\$ 66,654
Delinquent Property Taxes Receivable	<u>1,843</u>	<u>-</u>	<u>1,843</u>
Total	<u>\$ 38,803</u>	<u>\$ 29,694</u>	<u>\$ 68,497</u>
 <u>Liabilities and Fund Equity</u>			
Liabilities:			
Accounts Payable	\$ 95	\$ -	\$ 95
Total	<u>95</u>	<u>-</u>	<u>95</u>
Fund Equity:			
Fund Balance – Reserved	-	-	-
Fund Balance – Unreserved	<u>38,708</u>	<u>29,694</u>	<u>68,402</u>
Total	<u>38,708</u>	<u>29,694</u>	<u>68,402</u>
Total Liabilities and Fund Equity	<u>\$ 38,803</u>	<u>\$ 29,694</u>	<u>\$ 68,497</u>

The Notes to the Basic Financial statements are an integral part of this statement.

Tobin & Co.

Almira Township Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Governmental Funds For the Year Ended March 31, 2006

Schedule 5

	<u>Special Revenue</u>		
	<u>Parks and Recreation Fund</u>	<u>Ransom Lake Stewardship Fund</u>	<u>Total</u>
<u>Revenues</u>			
Taxes:			
Property Taxes	\$ 27,836	\$ -	\$ 27,836
Interest and Rents:			
Interest	187	216	403
Other:			
Donations	<u>75</u>	<u>1,282</u>	<u>1,357</u>
Total	<u>28,098</u>	<u>1,498</u>	<u>29,596</u>
<u>Expenditures</u>			
Recreation and Culture	17,091	1,240	18,331
Capital Outlay	<u>6,250</u>	<u>745</u>	<u>6,995</u>
Total	<u>23,341</u>	<u>1,985</u>	<u>25,326</u>
<u>Excess Revenues (Expenditures)</u>	<u>4,757</u>	<u>(487)</u>	<u>4,270</u>
<u>Other Financing Sources (Uses)</u>			
Operating Transfers In	-	-	-
Operating Transfers (Out)	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	<u>4,757</u>	<u>(487)</u>	<u>4,270</u>
Fund Balance -- Beginning of Year	<u>33,951</u>	<u>30,181</u>	<u>64,132</u>
Fund Balance -- End of Year	<u>\$ 38,708</u>	<u>\$ 29,694</u>	<u>\$ 68,402</u>

The Notes to the Basic Financial statements are an integral part of this statement.

Tobin & Co.

Almira Township
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Parks and Recreation Fund
For the Year Ended March 31, 2006

Schedule 6

	<u>Budgetary Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Taxes:				
Property Taxes	\$ 26,167	\$ 26,167	\$ 27,836	\$ 1,669
Interest and Rents:				
Interest	-	-	187	187
Other:				
Donations	-	-	75	75
Total	<u>26,167</u>	<u>26,167</u>	<u>28,098</u>	<u>1,931</u>
<u>Expenditures</u>				
Salaries and Wages	-	-	12,775	-
Social Security and Medicare	-	-	185	-
Pension	-	-	878	-
Supplies	-	-	1,301	-
Maintenance and Repairs	-	-	1,429	-
Licenses and Fees	-	-	523	-
Capital Outlay	-	-	6,250	-
Total	<u>26,167</u>	<u>31,947</u>	<u>23,341</u>	<u>8,606</u>
Excess Revenues (Expenditures)	-	(5,780)	4,757	10,537
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	-	-	-	-
Total	-	-	-	-
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	<u>\$ -</u>	<u>\$(1) (5,780)</u>	<u>4,757</u>	<u>\$ 10,537</u>
Fund Balance – Beginning of Year			<u>33,951</u>	
Fund Balance – End of Year			<u>\$ 38,708</u>	
(1) Budgeted from Fund Balance				

The Notes to the Basic Financial Statements are an integral part of this statement.

Tobin & Co.

Almira Township
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Ransom Lake Stewardship Fund
For the Year Ended March 31, 2006

Schedule 7

	<u>Budgetary Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Interest and Rents:				
Interest	\$ -	\$ -	\$ 216	\$ 216
Other:				
Donations	-	-	1,282	1,282
Total Revenues	-	-	1,498	1,498
<u>Expenditures</u>				
Supplies	-	-	376	-
Equipment Rental	-	-	664	-
Licenses and Fees	-	-	200	-
Capital Outlay	-	-	745	-
Total Expenditures	10,200	10,200	1,985	8,215
Excess Revenues (Expenditures)	(10,200)	(10,200)	(487)	9,713
<u>Other Financing Sources (Uses)</u>				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	-	-	-	-
Total	-	-	-	-
<u>Excess Revenues (Expenditures) and Other Financing Sources (Uses)</u>	(1)	<u>\$ (10,200)</u>	<u>\$ (10,200)</u>	(487) <u>\$ 9,713</u>
Fund Balance – Beginning of Year			30,181	
Fund Balance – End of Year			<u>\$ 29,694</u>	
(1) Budgeted from Fund Balance				

The Notes to the Basic Financial Statements are an integral part of this statement.

Tobin & Co.

Almira Township 2005 Property Tax Levy and Collections For the Year Ended March 31, 2006

Schedule 8

	<u>Millage Rate</u>	<u>Adjusted Levy</u>	<u>Collected</u>	<u>Returned Delinquent</u>
County	3.6629	\$ 415,174	\$ 390,930	\$ 24,244
County Jail	1.2956	146,887	136,909	9,978
County Medical Care Facility	0.9318	105,609	98,462	7,147
County Commission on Aging	0.6148	69,677	64,962	4,715
County Veterans Relief	0.0250	2,822	2,631	191
County Animal Control	0.0951	10,767	10,038	729
County Ambulance	0.6101	69,155	64,465	4,690
State Education	6.0000	677,483	653,010	24,473
School District:				
Benzie Central	19.5100	672,307	630,342	41,965
Traverse City	21.1000	156,697	149,102	7,595
Intermediate School District	2.9589	335,360	312,690	22,670
Township - General	0.7919	89,750	83,678	6,072
- Fire Protection	1.4214	161,105	150,204	10,901
- Parks and Recreation	0.2460	27,872	25,986	1,886
- Fire/EMS Building	1.2222	138,525	129,152	9,373
Special Assessments:				
Recycling		29,322	27,090	2,232
Commercial Forest		<u>88</u>	<u>88</u>	<u>-</u>
Total		<u>\$ 3,108,600</u>	<u>\$ 2,929,739</u>	<u>\$ 178,861</u>
Percent of Levy Collected		94.25%		

The Notes to the Basic Financial Statements are an integral part of this statement.